



## **Request for City Council Committee Action from the Department of Community Planning & Economic Development**

**Date:** December 10, 2013

**To:** Council Member Lisa Goodman, Chair, Community Development Committee

**Referral to:** Council Member Betsy Hodges, Chair, Ways and Means/Budget Committee

**Subject:** Midtown Global Market validated parking grant

**Recommendation:** (1) Approve up to \$150,000 in grant funds to the Neighborhood Development Center (NDC) to pay validated parking receipts for Midtown Global Market customers from April 2013 through year end 2014 and (2) Amend the 2013 General Appropriation Resolution by increasing the Community Planning & Economic Development Agency Fund 01CLC–Local Contribution Fund (01CLC-8900320) appropriation by \$150,000 from the available fund balance.

**Previous Directives:** On July 20, 2007, City Council accepted and appropriated \$490,000, awarded by the Hennepin County Board, to pay for the operation of a validated parking system at the Midtown Global Market.

### **Department Information**

Prepared by: Rebecca Parrell, Senior Project Coordinator (673-5018)

Approved by: Charles T. Lutz, Deputy Director, CPED

Catherine A. Polasky, Director of Economic Development, CPED

Presenters in Committee: Rebecca Parrell, Senior Project Coordinator

Funding Source and Appropriation Language Reviewed by Development Finance

### **Financial Impact**

- Action requires an appropriation increase to the Operating Budget
  - Dept Name: Community Planning & Economic Development – 8900320
  - Fund Name: 01CLC – Local Contribution Fund
  - Amount: \$150,000
- Action is within the Business Plan
- Other financial impact: NA

### **Community Impact**

- Neighborhood Notification: NA
- Zoning Code: NA
- City Goals: Jobs & Economic Vitality - Strong commercial corridors, thriving business corners

- Comprehensive Plan: 4.1.2 Seek out and implement long-term redevelopment projects that catalyze revitalization and private sector investment. 4.2.5 Encourage small business opportunities, such as appropriate home occupations and business incubators, in order to promote individual entrepreneurs and business formation.
- Living Wage/Job Linkage: NA

## **BACKGROUND**

Hennepin County provided the market with a significant grant to validate customer parking in 2007, when the Hennepin County Board recognized there was insufficient free public parking available near the Midtown Global Market, which seriously threatened the viability of the market. The board awarded a \$210,000 grant for parking signage and a \$490,000 grant to the market (accepted and administered by the City of Minneapolis) to fund the operation of a parking validation system for Midtown Global Market customers. These grant funds paid validated parking invoices for five-and-a-half years, from October 2007 through March 2013, when the funds were fully depleted. In an effort to continue to provide validated parking, yet reduce this cost, the market changed the time validation from three hours to two, which has resulted in a \$1,900 drop in average monthly validation invoices. Market management is also trying to negotiate with Ryan Companies and their parking operator, Denison Parking, to allow for validation at 30-minute increments for more savings. Average monthly validation costs since the hourly change set in have been approximately \$6,500.

Staff recommends approving up to \$150,000 in grant funds to reimburse the market for monthly parking invoices from April 2013 through December 2014. The market management has maintained the validation program, believing that validated parking is a critical component to encouraging shopping at the market. Shoppers from the neighboring low-income communities are very unlikely to pay for parking for grocery shopping. Given the tenuous financial position of most market tenants, it is not feasible for most of them to pay for validated parking for their customers individually. The market has requested City assistance to maintain the program.

The source identified for this \$150,000 grant is flexible dollars generated by ramp revenues flowing to the City under the terms of the Midtown Exchange redevelopment agreement. If the validated parking is not funded through a City of Minneapolis grant, market management will have to weigh the importance of the program against their other expenses to consider whether or not to use fundraising to cover the cost and eliminate other items in the budget or discontinue the program and risk decreased sales as a result. If the validated parking ramp program were discontinued, the flow of ramp revenues to the City would likely decline.

Reinvesting parking ramp profits back to Midtown Global Market customers will help the market grow sales by maintaining current customers and reaching new customers.